

LY  
**MALARTIC  
Gold Fields  
(Quebec)  
Limited**

ad  
Co-Canada

(no personal liability)

**ANNUAL REPORT**

For the year ended December 31, 1972

and  
copy  
of

**MARBAN  
gold mines  
limited  
annual report**





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**MALARTIC**  
**Gold Fields**  
**(Quebec)**  
**Limited**  
**(no personal liability)**

**OFFICERS**

P. K. HANLEY ..... President  
R. C. STANLEY, JR. .... Vice-President  
IAN T. H. HAMILTON ..... Secretary

**DIRECTORS**

JOHN C. L. ALLEN  
PETER A. ALLEN  
D. M. GIACHINO, P.Eng.  
P. K. HANLEY  
ROBERT C. STANLEY, JR.  
A. G. WILSON

**MANAGER**

MURRAY D. KENNEDY

**REGISTRAR AND  
TRANSFER AGENTS**

CANADA PERMANENT TRUST COMPANY  
Toronto, Ont. and Montreal, Que.  
MARINE MIDLAND BANK — NEW YORK  
New York, N.Y.

**AUDITORS**

THORNE GUNN & CO.  
Toronto, Ontario

**EXECUTIVE OFFICE**

Suite 400, 112 King Street West, Toronto, Ontario

MALARTIC  
Gold Fields  
(Quebec)  
Limited  
(no personal liability)

**To the Shareholders:**

Production from 75% owned **MARBAN GOLD MINES LIMITED** (Annual Report included herewith) continued all year because of higher prices received for gold. Thus, your Company's custom milling operation continued, although only on a moderately profitable basis.

Only a few of the new Marban zones under development proved successful and the mine should terminate within a few months, regardless of gold prices.

Renewed exploration for and development of gold mines around the Malartic camp may result in new ore-shipping customers for your Company's custom mill. Therefore, your Directors have decided to keep the mill operational for the time being.

The Directors wish to express their appreciation to Mr. M. D. Kennedy, Manager of both Malartic Gold Fields and Marban, the Staff and all Employees for their loyal and efficient services during the year.

On behalf of the Board,

P. K. Hanley,  
President



# MALARTIC Gold Fields (Quebec) Limited

(no personal liability)

## REPORT OF THE MINE MANAGER

The President and Board of Directors,  
Malartic Gold Fields (Quebec) Limited,  
Suite 400 – 112 King Street West,  
Toronto, Ontario M5H 1J2

Dear Sirs:

Herewith is submitted a report covering the operation for the year ended December 31, 1972.

The mill treated 202,756 tons of custom ore compared to 219,482 tons the previous year. The sources are as follows:

|                                                   |                   |
|---------------------------------------------------|-------------------|
| Marban Gold Mines Limited .....                   | 196,001 tons      |
| Mr. A. Jolin (Ore from the Croinor-Pershing Dump) | <u>6,755 tons</u> |
|                                                   | 202,756 tons      |

With one circuit only being used the mill operated 96.42% of the scheduled time for an average of 554 tons per calendar day. Mill recovery for the year was 98.44%.

A wage increase of 10¢ an hour went into effect July 1, 1972 and a new labour agreement was signed which granted a 15¢ an hour increase on September 1, 1972 plus a bonus of two cents an hour worked for every dollar gold is sold above \$50.00 an ounce, effective August 1, 1972.

At the year end there were 20 hourly rated employees compared to 18 at the end of the previous year.

A total of \$206,494 was paid out for wages, salaries, Workmen's Compensation, pension, Unemployment Insurance and other employee benefits and \$258,630 for supplies and services.

In conclusion, I wish to express my thanks to the Officers and Directors for their co-operation and support. I also wish to thank Mr. M. Roy, Mill Superintendent, and all Employees for their loyal and efficient services during the year.

Malartic, Quebec  
February 2, 1973

Respectfully submitted,  
M. D. KENNEDY, Manager.

# MALARTIC Gold Fields (Quebec) Limited

(no personal liability)

## BALANCE SHEET

(Incorporated under the laws of Quebec)

### ASSETS

(with comparative figures at December 31, 1971)

|                                                                                                                                                                         | 1972               | 1971               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Current Assets</b>                                                                                                                                                   |                    |                    |
| Cash .....                                                                                                                                                              | \$ 52,453          | \$ 230,574         |
| Short-term deposits .....                                                                                                                                               |                    | 265,000            |
| Accounts receivable .....                                                                                                                                               | 18,135             | 30,434             |
| Receivable from subsidiary and associated companies .....                                                                                                               | 42,565             | 46,503             |
| Marketable securities, at cost (at cost less allowance for decline in market value of \$115,000 in 1971) (quoted market value 1972, \$1,222,500; 1971, \$575,500) ..... | 1,258,777          | 575,782            |
| Prepaid expenses .....                                                                                                                                                  | 9,484              | 11,595             |
| Supplies, at estimated realizable value (at average cost in 1971) ...                                                                                                   | 33,892             | 97,995             |
|                                                                                                                                                                         | <u>1,415,306</u>   | <u>1,257,883</u>   |
| <b>Shares in Subsidiary Company</b> (note 1) .....                                                                                                                      | 136,567            | 165,437            |
| <b>Investments in Other Companies</b>                                                                                                                                   |                    |                    |
| Associated companies                                                                                                                                                    |                    |                    |
| Listed shares, (note 2) quoted market value 1972, \$5,214,000; 1971, \$4,015,000 .....                                                                                  | 5,005,882          | 5,132,467          |
| Other shares, at cost less amounts written off .....                                                                                                                    | 734,462            | 733,612            |
| Shares in other companies, at cost (quoted market value 1972, \$227,300; 1971, \$181,300) .....                                                                         | 316,146            | 251,464            |
|                                                                                                                                                                         | <u>6,056,490</u>   | <u>6,117,543</u>   |
| <b>Fixed Assets</b>                                                                                                                                                     |                    |                    |
| Buildings, machinery and equipment, at cost less accumulated depreciation .....                                                                                         | 9,166              | 8,663              |
| Mining properties, at nominal value .....                                                                                                                               | 1                  | 1                  |
|                                                                                                                                                                         | <u>9,167</u>       | <u>8,664</u>       |
| <b>Other Assets</b> .....                                                                                                                                               | 16,480             | 2,061              |
|                                                                                                                                                                         | <u>\$7,634,010</u> | <u>\$7,551,588</u> |

To the Shareholders of Malartic Gold Fields (Quebec) Limited  
(No Personal Liability)

**AUDITORS'**

We have examined the balance sheet of Malartic Gold Fields (Quebec) Limited (No Personal Liability) as at December 31, 1972 and the statements of income, retained earnings and source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Canada    February 20, 1973



**MALARTIC**  
**Gold Fields**  
**(Quebec)**  
**Limited**  
(no personal liability)

**DECEMBER 31, 1972**

**LIABILITIES**

(Incorporated under the laws of Quebec)

(with comparative figures at December 31, 1971)

**Current Liabilities**

|                                                | <b>1972</b>   | <b>1971</b>   |
|------------------------------------------------|---------------|---------------|
| Accounts payable and accrued liabilities ..... | \$ 34,305     | \$ 42,214     |
| Payable to associated companies .....          | 34,698        | 24,209        |
|                                                | <u>69,003</u> | <u>66,423</u> |

**SHAREHOLDERS' EQUITY**

**Capital Stock**

|                                           |                  |                  |
|-------------------------------------------|------------------|------------------|
| Authorized – 5,000,000 shares of \$1 each |                  |                  |
| Issued – 4,481,378 shares .....           | 4,481,378        | 4,481,378        |
| Less discount on shares .....             | 3,223,857        | 3,223,857        |
|                                           | <u>1,257,521</u> | <u>1,257,521</u> |

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| <b>Contributed Surplus</b> ..... | 617,026          | 617,026          |
|                                  | <u>1,874,547</u> | <u>1,874,547</u> |

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| <b>Retained Earnings</b> ..... | 5,690,460        | 5,610,618        |
|                                | <u>7,565,007</u> | <u>7,485,165</u> |

Approved by the Board

P. K. Hanley, Director

P. A. Allen, Director

\$7,634,010   \$7,551,588

**REPORT**

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1972 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE GUNN & CO.  
Chartered Accountants

**MALARTIC  
Gold Fields  
(Quebec)  
Limited**  
(no personal liability)

**LONG LAC MINERAL EXPLORATION LIMITED  
1972 EXPLORATION REPORT**

Exploration was conducted throughout Canada with the majority of work concentrated in the provinces of Ontario, Quebec and Newfoundland. Direct expenditures on 12 separate projects totalled \$309,000.

A copper-zinc-lead showing was discovered in Newfoundland, within a large parcel of land held under option by your company. Drilling will be necessary to evaluate this occurrence.

Interests were earned in four properties lying on strike from the Mines de Poirier ore bodies in the Joutel base metal camp of Quebec. This project is a joint venture in which Long Lac Mineral Exploration has a 30% interest. Further exploration, however, will be governed by developments in the area.

A three year joint venture search for base metal deposits in Northwestern Ontario was terminated. Negotiations are underway to farmout our interest in this area.

In addition to the reported direct exploration expenditures Long Lac Mineral Exploration Limited, on behalf of its shareholders, exercised an option to purchase 200,000 shares of Polaris Oils Limited at 50¢ per share. This purchase increased your company's investment in Polaris to 400,000 shares at 50¢ per share. A merger was recently completed with Peyto Oils Limited on the basis of 6 shares of Polaris for one share of Peyto.

Interest in your company was divided in 1972 among the following companies: Little Long Lac Mines Limited and Lake Shore Mines Limited with 25% each, Willroy Mines Limited with 20% and Malartic Gold Fields (Quebec) Limited, Wright-Hargreaves Mines Limited, East Malartic Mines Limited with 10% each.

**D. G. Sheehan,**  
Manager

March 20th, 1973



**MALARTIC**  
**Gold Fields**  
**(Quebec)**  
**Limited**  
**(no personal liability)**

**STATEMENT OF INCOME**  
**Year ended December 31, 1972**  
 (with comparative figures for 1971)

| <b>Revenue</b>                                                                   | <b>1972</b>      | <b>1971</b>        |
|----------------------------------------------------------------------------------|------------------|--------------------|
| Services .....                                                                   |                  |                    |
| Custom milling (note 3) .....                                                    | \$ 546,683       | \$ 590,686         |
| Other .....                                                                      |                  | 5,445              |
| Income from investments .....                                                    | 17,744           | 63,336             |
|                                                                                  | <u>564,427</u>   | <u>659,467</u>     |
| <b>Expenses</b>                                                                  |                  |                    |
| Direct cost of services                                                          |                  |                    |
| Custom milling .....                                                             | 336,080          | 316,978            |
| Other .....                                                                      |                  | 2,616              |
| Mine office and supervision .....                                                | 26,500           | 31,458             |
| General expenses at the property .....                                           | 95,140           | 100,515            |
| Administrative and corporate expenses .....                                      | 62,851           | 38,982             |
| Depreciation .....                                                               | 5,410            | 6,843              |
|                                                                                  | <u>525,981</u>   | <u>497,392</u>     |
| Income before undernoted items .....                                             | 38,446           | 162,075            |
| Outside exploration .....                                                        | 30,961           | 31,757             |
| Interest in income (loss) before extraordinary item of subsidiary company .....  | (13,870)         | 3,994              |
|                                                                                  | <u>44,831</u>    | <u>27,763</u>      |
| Income (loss) before extraordinary items .....                                   | (6,385)          | 134,312            |
| Extraordinary items                                                              |                  |                    |
| Allowance for decline in value of marketable securities no longer required ..... | 115,000          |                    |
| Profit (loss) on investments sold .....                                          | 39,227           | (106,197)          |
| Write down of supplies to estimated realizable value .....                       | (53,000)         |                    |
| Interest in extraordinary item of subsidiary company .....                       | (15,000)         | (187,500)          |
|                                                                                  | <u>86,227</u>    | <u>(293,697)</u>   |
| Net income (loss) for the year .....                                             | <u>\$ 79,842</u> | <u>(\$159,385)</u> |
| <b>Earnings (loss) per share</b>                                                 |                  |                    |
| Income (loss) before extraordinary items .....                                   |                  | 3¢                 |
| Net income (loss) for the year .....                                             | 2¢               | (4¢)               |

**STATEMENT OF RETAINED EARNINGS**

**Year ended December 31, 1972**  
 (with comparative figures for 1971)

|                                      | <b>1972</b>        | <b>1971</b>        |
|--------------------------------------|--------------------|--------------------|
| Balance at beginning of year .....   | \$5,610,618        | \$5,770,003        |
| Net income (loss) for the year ..... | 79,842             | (159,385)          |
| Balance at end of year .....         | <u>\$5,690,460</u> | <u>\$5,610,618</u> |

**MALARTIC**  
**Gold Fields**  
**(Quebec)**  
**Limited**  
 (no personal liability)

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

**Year ended December 31, 1972**

(with comparative figures for 1971)

| <b>Source of Funds</b>                                                           | <b>1972</b>        | <b>1971</b>        |
|----------------------------------------------------------------------------------|--------------------|--------------------|
| Income (loss) before extraordinary items .....                                   | \$ (6,385)         | \$ 134,312         |
| Items not involving current funds                                                |                    |                    |
| Depreciation .....                                                               | 5,410              | 6,843              |
| Interest in income (loss) before extraordinary items of subsidiary company ..... | 13,870             | (3,994)            |
|                                                                                  | <u>12,895</u>      | <u>137,161</u>     |
| Sale of shares                                                                   |                    |                    |
| Associated companies .....                                                       | 132,966            | 130,546            |
| Other companies .....                                                            | 72,426             | 8,163              |
| Allowance for decline in value of marketable securities no longer required ..... | 115,000            |                    |
| Profit on sale of marketable securities .....                                    | 39,621             |                    |
| Payment received on advances to another company .....                            |                    | 64,424             |
|                                                                                  | <u>372,908</u>     | <u>340,294</u>     |
| <b>Application of Funds</b>                                                      |                    |                    |
| Purchase of shares                                                               |                    |                    |
| Associated companies .....                                                       | 850                | 285,258            |
| Other companies .....                                                            | 143,883            | 79,164             |
| Loss on sale of marketable securities .....                                      |                    | 35,848             |
| Write down of supplies to estimated realizable value .....                       | 53,000             |                    |
| Purchase of fixed assets .....                                                   | 5,913              |                    |
| Other assets .....                                                               | 14,419             |                    |
|                                                                                  | <u>218,065</u>     | <u>400,270</u>     |
| Increase (decrease) in working capital .....                                     | 154,843            | (59,976)           |
| Working capital at beginning of year .....                                       | <u>1,191,460</u>   | <u>1,251,436</u>   |
| Working capital at end of year .....                                             | <u>\$1,346,303</u> | <u>\$1,191,460</u> |



**MALARTIC**  
**Gold Fields**  
**(Quebec)**  
**Limited**  
 (no personal liability)

**NOTES TO FINANCIAL STATEMENTS**

December 31, 1972

**1. Subsidiary Company**

The accounts of the 75% owned subsidiary, Marban Gold Mines Limited, have not been consolidated because it is considered more informative to present separate statements. The investment in the subsidiary company is carried at cost plus the company's share of accumulated net earnings less dividends received since date of acquisition.

It is expected that the operations of the subsidiary company will cease in 1973.

**2. Associated Companies – Listed Shares**

Listed shares are carried at cost, less allowance for decline in market value of \$2,370,000. The market values shown are based on closing market prices at December 31, each year. Because of the number of shares involved and the fact that the shares in some cases represent control of the companies concerned, the amounts that would be realized if these securities were to be sold may be more or less than their indicated market value.

**3. Milling Operations**

The company expects to cease milling operations in 1973.

**4. Income Taxes**

In 1971, the deduction for income tax purposes for depreciation exceeded the amount charged to income in the accounts resulting in the elimination of income taxes amounting to \$69,300. At December 31, 1972 depreciation yet to be deducted for tax purposes exceeds by \$1,050,000 the net book value of the related assets.

**5. Supplementary Information**

Direct remuneration of the company's directors and senior officers (including the five highest paid employees) as defined by The Securities Act of Ontario was as follows:

|                              | From<br>Malartic Gold<br>Fields (Quebec)<br>Limited |                 | From<br>unconsolidated<br>subsidiary<br>company |            |
|------------------------------|-----------------------------------------------------|-----------------|-------------------------------------------------|------------|
|                              | 1972                                                | 1971            | 1972                                            | 1971       |
| Directors and officers ..... | \$10,000                                            | \$19,900        | Nil                                             | Nil        |
| Mill employees .....         | 41,495                                              | 34,984          | Nil                                             | Nil        |
| Total .....                  | <u>\$51,495</u>                                     | <u>\$54,884</u> | <u>Nil</u>                                      | <u>Nil</u> |

# **MARBAN**

## **gold mines**

### **limited**

#### **OFFICERS**

P. K. HANLEY ..... President

IAN T. H. HAMILTON ..... Secretary

#### **DIRECTORS**

J. C. L. ALLEN

P. K. HANLEY

J. G. EDISON

STEPHEN KAY

R. C. STANLEY, JR.

#### **MINE MANAGER**

M. D. KENNEDY

#### **REGISTRAR AND TRANSFER AGENTS**

CANADA PERMANENT TRUST COMPANY

Toronto, Ontario

#### **AUDITORS**

THORNE GUNN & CO.

Toronto, Ontario

#### **EXECUTIVE OFFICE**

Suite 400, 112 King Street West, Toronto, Ontario



# MARBAN gold mines limited

## REPORT OF THE MINE MANAGER

The President and Board of Directors,  
Marban Gold Mines Limited,  
Suite 400 – 112 King Street West,  
Toronto, Ontario M5H 1J2

Dear Sirs:

Herewith is a report covering the operation for the year ended December 31, 1972.

The mine produced 196,001 tons of ore which yielded 27,265 ounces of gold and 3,363 ounces of silver. Production since the start of milling July 2, 1961 is 1,922,137 tons of ore which has produced 302,128 ounces of gold, an average of 0.157 ounces per ton, and 29,679 ounces of silver.

The increase in the price of gold enabled the operation to continue throughout the year. During the last quarter a small amount of development was done in an effort to further extend the life of the mine but this proved to be unsuccessful and ore reserves at the year end are calculated at 47,500 tons grading 0.131 ounces of gold per ton.

At the year end there were 82 employees on the payroll, the same as at the end of the previous year.

A wage increase of 10¢ an hour went into effect July 1, 1972 and a new labour agreement was signed which granted a 15¢ an hour increase on September 1, 1972 plus a bonus of two cents an hour worked for every dollar gold is sold above \$50.00 an ounce, effective August 1, 1972.

A total of \$742,129 was paid out for wages, salaries, Workmen's Compensation, pension, Unemployment Insurance and other employee benefits and \$727,615 for supplies and services.

In conclusion, I wish to express my thanks to the Officers and Directors for their co-operation and support. I would also like to thank Mr. G. Bellavance, Mine Superintendent, the Supervisory Personnel and all Employees for their efficient services during the year.

Malartic, Quebec  
February 2, 1973

Respectfully submitted,  
M. D. KENNEDY,  
Manager.

# MARBAN gold mines limited

## BALANCE SHEET

(Incorporated under the laws of Ontario)

### ASSETS

(with comparative figures at December 31, 1971)

#### Current Assets

|                                                                        | 1972           | 1971           |
|------------------------------------------------------------------------|----------------|----------------|
| Cash and short term deposits .....                                     | \$ 67,309      | \$ 157,240     |
| Bullion, at net realizable value .....                                 | 257,005        | 111,326        |
| Accounts receivable .....                                              | 756            | 174            |
| Amount receivable under the Emergency Gold Mining Assistance Act ..... |                | 80,946         |
| Prepaid expenses .....                                                 | 1,983          | 7,098          |
| Supplies, at estimated realizable value (at average cost in 1971) ..   | 4,419          | 25,218         |
|                                                                        | <u>331,472</u> | <u>382,002</u> |

#### Fixed Assets

|                                                               |                   |                   |
|---------------------------------------------------------------|-------------------|-------------------|
| Building, machinery and equipment, at cost .....              | 304,715           | 304,715           |
| Less accumulated depreciation .....                           | 298,700           | 289,700           |
|                                                               | <u>6,015</u>      | <u>15,015</u>     |
| Mining properties and claims, at nominal value (note 1) ..... | 1                 | 1                 |
|                                                               | <u>6,016</u>      | <u>15,016</u>     |
|                                                               | <u>\$ 337,488</u> | <u>\$ 397,018</u> |

### AUDITORS'

To the Shareholders of  
Marban Gold Mines Limited

We have examined the balance sheet of Marban Gold Mines Limited as at December 31, 1972 and the statements of income, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Canada  
February 19, 1973



DECEMBER 31, 1972

**MARBAN**  
**gold mines**  
**limited**

(Incorporated under the laws of Ontario)

**LIABILITIES**

(with comparative figures at December 31, 1971)

**Current Liabilities**

|                                                                  | 1972           | 1971           |
|------------------------------------------------------------------|----------------|----------------|
| Accounts payable and accrued liabilities .....                   | \$ 96,862      | \$ 116,317     |
| Payable to associated companies .....                            | 16,276         | 13,965         |
| Payable to parent company, Malartic Gold Fields (Quebec) Limited | 42,256         | 46,149         |
|                                                                  | <u>155,394</u> | <u>176,431</u> |

**SHAREHOLDERS' EQUITY**

**Capital Stock**

|                                           |                  |                  |
|-------------------------------------------|------------------|------------------|
| Authorized – 5,000,000 shares of \$1 each |                  |                  |
| Issued – 4,000,005 shares .....           | 4,000,005        | 4,000,005        |
| Less discount on shares .....             | 3,000,000        | 3,000,000        |
|                                           | <u>1,000,005</u> | <u>1,000,005</u> |
| Deficit .....                             | 817,911          | 779,418          |
|                                           | <u>182,094</u>   | <u>220,587</u>   |

Approved by the Board

P. K. Hanley, Director

J. C. L. Allen, Director

\$ 337,488    \$ 397,018

**REPORT**

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1972 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE GUNN & CO.  
Chartered Accountants

# MARBAN

## gold mines

### limited

#### STATEMENT OF INCOME

Year ended December 31, 1972

(with comparative figures for 1971)

|                                                                 | 1972             | 1971              |
|-----------------------------------------------------------------|------------------|-------------------|
| <b>Operating Revenue</b>                                        |                  |                   |
| Bullion recovery .....                                          | \$1,539,626      | \$1,315,526       |
| Assistance under the Emergency Gold Mining Assistance Act ..... | 11,589           | 340,068           |
|                                                                 | <u>1,551,215</u> | <u>1,655,594</u>  |
| <b>Operating Expenses</b>                                       |                  |                   |
| Mining .....                                                    | 769,859          | 794,681           |
| Milling .....                                                   | 527,619          | 590,686           |
| Ore haulage .....                                               | 72,401           | 83,993            |
| Marketing expenses .....                                        | 5,898            | 7,523             |
| Mine office and supervision .....                               | 44,625           | 42,212            |
| General expenses at the property .....                          | 126,847          | 109,078           |
| Administrative and corporate expenses .....                     | 16,054           | 18,081            |
|                                                                 | <u>1,563,303</u> | <u>1,646,254</u>  |
| Operating profit (loss) before undernoted items .....           | (12,088)         | 9,340             |
| Depreciation .....                                              | 9,000            | 6,500             |
|                                                                 | <u>(21,088)</u>  | <u>2,840</u>      |
| Interest income .....                                           | 2,595            | 2,486             |
| Income (loss) before extraordinary items .....                  | <u>(18,493)</u>  | <u>5,326</u>      |
| <b>Extraordinary Items</b>                                      |                  |                   |
| Write-down of supplies to estimated realizable value .....      | 20,000           |                   |
| Write-down of mining properties to nominal value .....          |                  | 249,999           |
| Loss for the year .....                                         | <u>\$ 38,493</u> | <u>\$ 244,673</u> |
| <b>Loss per share</b>                                           |                  |                   |
| Income (loss) before extraordinary items .....                  | Nil              | Nil               |
| Loss for the year .....                                         | 1¢               | 6¢                |

# MARBAN gold mines limited

## STATEMENT OF DEFICIT

Year ended December 31, 1972

(with comparative figures for 1971)

|                                    | 1972              | 1971              |
|------------------------------------|-------------------|-------------------|
| Deficit at beginning of year ..... | \$ 779,418        | \$ 534,745        |
| Loss for the year .....            | 38,493            | 244,673           |
| Deficit at end of year .....       | <u>\$ 817,911</u> | <u>\$ 779,418</u> |

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1972

(with comparative figures for 1971)

| Source of Funds                                            | 1972              | 1971              |
|------------------------------------------------------------|-------------------|-------------------|
| Income before extraordinary item .....                     |                   | \$ 5,326          |
| Depreciation not involving current funds .....             |                   | 6,500             |
|                                                            |                   | <u>11,826</u>     |
| Application of funds                                       |                   |                   |
| Loss before extraordinary item .....                       | \$ 18,493         |                   |
| Depreciation not involving current funds .....             | (9,000)           |                   |
|                                                            | <u>9,493</u>      |                   |
| Write-down of supplies to estimated realizable value ..... | 20,000            |                   |
|                                                            | <u>29,493</u>     |                   |
| Increase (decrease) in working capital .....               | (29,493)          | 11,826            |
| Working capital at beginning of year .....                 | 205,571           | 193,745           |
| Working capital at end of year .....                       | <u>\$ 176,078</u> | <u>\$ 205,571</u> |



# MARBAN gold mines limited

## NOTES TO FINANCIAL STATEMENTS

December 31, 1972

### 1. Mining Operations

It was expected that mining operations would cease in April, 1972 and accordingly mining properties and claims were written down to nominal value in 1971. It is now expected that the operations will cease in 1973.

### 2. Supplementary Information

Direct remuneration of directors and senior officers (including the five highest paid employees) as defined by The Business Corporations Act, was as follows:

|                              | <u>1972</u>     | <u>1971</u>     |
|------------------------------|-----------------|-----------------|
| Directors and officers ..... | Nil             | Nil             |
| Mine employees .....         | \$64,741        | \$61,018        |
|                              | <u>\$64,741</u> | <u>\$61,018</u> |





